

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE IMPACT OF ) ADMINISTRATIVE  
FEDERAL POLICY ON NATURAL GAS TO ) CASE NO. 297  
KENTUCKY CONSUMERS AND SUPPLIERS )

O R D E R

In addition to prepared statements and/or cross-examination to be presented at the hearing on January 7, 1987, the Commission hereby advises all parties of its interest in additional comment on the following matters:

1. What is a reasonable timetable for acquisition reviews to begin and frequency thereafter? How can realistic bypass studies be included in supply and demand forecasts? At what time during the year should acquisition planning reviews be conducted to be most effective? How is supply reliability determined and what other factors should be considered?

2. What kind of incentives could be built into gas purchasing?

3. Should the Commission require more than one cost of service study? Is there one cost allocation technique that is most appropriate? What is a reasonable time frame for completion of cost of service studies? How can the Commission introduce cost of service findings without a rate case if it appears cost allocations are to be redistributed?

4. How would cost of service transportation rates differ from cost based margin? How should transportation rates be structured (i.e., two-part or one-part rate)?

5. Are flexible rates reasonable? What rates should the Commission allow to flex? For what alternative fuels? Should the rates flex both up and down? What support should be required from the end-user for the utility to flex the rate? What documentation should be required from the utility?

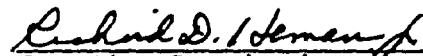
6. What is the feasibility of exit fees vs. re-entry fees? To whom would each apply? How would the charges be determined?

7. In what instance should a certificate for physical bypass not be required?

8. How should curtailment priorities be established between firm sales and firm transportation?

Done at Frankfort, Kentucky, this 15th day of December, 1986.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Executive Director